

Transportation

Proposed Adjustments as Introduced (\$ in millions)				
	FY 2015 Proposed		FY 2016 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Base Budget, Ch. 806	\$42.0	\$4,850.7	\$42.0	\$4,850.7
Proposed Increases	0.7	1,066.0	7.6	1,413.3
Proposed Decreases	(0.0)	(177.8)	(0.0)	(160.2)
\$ Net Change	0.7	888.2	(7.6)	1,253.1
HB/SB 30, as Introduced	\$42.7	\$5,738.9	\$49.6	\$6,103.8
% Change	1.6%	18.3%	18.0%	25.8%
FTEs	0.00	9,784.00	0.00	9,784.00
# Change	0.00	0.00	0.00	0.00

- **Secretary of Transportation**
 - ***Proposes Amended Language Regarding Use of Federal Funds.*** Includes a series of three amendments to the language governing the Commonwealth Transportation Board's use of federal funds. The first, relating to the share of the Surface Transportation Program set aside for public transportation purposes, removes language explicitly funding the Virginia Railway Express track lease payments from the public transportation share of the federal STP program.

The second amendment adds language regarding the use of federal bridge funding specifying that both the federal funds and the required state matching funds be allocated to projects across the state. This language ensures that the match does not have to come from a particular jurisdiction's primary, secondary or urban funding in order to be eligible for bridge improvements.

The third change adds new language authorizing the use of National Highway Performance Program and Surface Transportation Program funds for interstate constructions projects and states that such funds will be treated as interstate funds for state matching purposes.

- **Virginia Commercial Space Flight Authority**
 - *Establish Virginia Commercial Space Flight Authority as an Agency and Increase Operational Support.* Establishes the Authority as a stand-alone agency within the Appropriation Act to provide additional transparency. The Authority had been funded through the Office of the Secretary of Transportation. The new agency is provided base funding established in Chapter 806 of the 2013 Acts of Assembly of \$11.8 million NGF each year, as well as an increase of \$4.0 million NGF each year to offset lower than anticipated launch-related revenues.
- **Department of Aviation**
 - *Increase Executive Aircraft Operations Budget.* Proposes appropriating \$200,000 NGF each year to support increased costs of maintaining the state aircraft whose warranties have now expired.
 - *Increase Information Technology Funding for System Improvements.* Proposes \$257,000 NGF each year to support information technology upgrades so that the Department's systems are compatible with the new state Cardinal system.
 - *Fund Compensation Adjustments.* Proposes to increase the personal services budget of DOAV by \$365,021 NGF each year to support the costs of position adjustments being made as a result of a study undertaken by the Department of Human Resources Management and to reflect the costs of the state pay raise that went into effect in FY 2014.
- **Department of Motor Vehicles**
 - *Provide Appropriation for Cost of Collecting New Transportation Revenues.* Includes a proposed increase in agency operating funding of \$370,093 NGF in the first year and \$398,975 NGF in the second year to address the marginal increased cost of collecting the revenue associated with Chapter 766 of the 2013 Acts of Assembly (HB 2313), particularly increased credit card transaction fees incurred by the Department.
 - *Provide Appropriation for New Customer Service Center in Northern Virginia.* Provides an operating appropriation of \$817,731 NGF in the first year and \$1,694,959 NGF in the second year to cover the costs of a proposal to open an additional customer service center in the Northern Virginia area. No location has been selected at this time.
 - *Transfer Federal Grant Appropriation from DMV Transfer Payments Item.* Transfers a nongeneral fund appropriation of \$4.0 million each year from the Department of Motor Vehicles Transfer Payments "agency" to the Department,

eliminating the need to administratively transfer the appropriation for federal grants on an annual basis.

- **Department of Rail and Public Transportation**

- *Reflect Revised December 2013 Revenue Forecast.* Increases the Department's NGF appropriation by \$131.1 million the first year and \$144.2 million the second year to reflect the official revenue estimate, which includes both forecast adjustments and revenues resulting from Chapter 766 of the 2013 Acts of Assembly (HB 2313).

- **Department of Transportation**

- *Reflect Revised December 2013 Revenue Forecast, FY 2014-2019 Six Year Improvement Program, and the Appropriation of Prior Year Revenues.* Contains a series of nongeneral fund revenue adjustments to align the department's appropriation with the revised revenue forecast completed in November, the Six Year Program adopted by the Commonwealth Transportation Board last June, and to reflect the appropriation of prior year bond proceeds. In total, provides a net increase of \$697.5 million NGF in FY 2015 and \$1,046.6 million in FY 2016.

2014-16 Department of Transportation Revenue Adjustments (\$ millions NGF)			
	<u>FY 2015</u>	<u>FY 2016</u>	<u>Total</u>
Prior Year Balances	\$ 448.3	\$ 187.0	\$ 635.3
HB2313 (2013) Revenue Reforecast	421.8	1,015.2	1,437.0
Base Forecast Reductions	<u>(172.6)</u>	<u>(155.8)</u>	<u>(328.4)</u>
Total	\$697.5	\$1,046.4	\$1,743.9

- **Virginia Port Authority**

- *Provide GF Support for Norfolk Harbor and Elizabeth River Channel Dredging.* Appropriates \$6.5 million GF in the second year to fund the costs associated with the dredging of Norfolk Harbor to 55 feet and dredging the Elizabeth River channel to 45 feet to help the Commonwealth prepare for the post-Panamax shipping environment.

- ***Increase GF Funding for Port of Virginia Economic Development Zone Grants.*** Proposes a GF appropriation of \$1.5 million the first year and \$2.0 million the second year to support the Port of Virginia Economic and Infrastructure Development Zone Grant Fund, disbursed as grants to qualified companies locating or expanding within the applicable jurisdictions. This program was created in the budget through a gubernatorial amendment during the 2012 Reconvened Session and an initial appropriation of \$1.0 million was included in Chapter 806 by the 2013 General Assembly.
- ***Adjust Appropriation to Reflect Increase in APM Terminal Rent.*** Reflects an increase in the rent payments for the use of the APM terminal of \$6.2 million NGF the first year and \$9.5 million NGF the second year. The lease agreement sets the rate in part based on container volume, which has been increasing.
- ***Increase Appropriation for Operational Maintenance.*** Appropriates an additional \$750,000 NGF each year for enhanced cargo handling costs at APM terminals.
- ***Increase Appropriation for Payments in Lieu of Taxes.*** Appropriates an additional \$75,000 NGF the first year and \$200,000 NGF the second year for payments in lieu of taxes (PILOT) paid by the VPA to the Port host cities, bringing total payments to \$2.2 million in FY 2015 and \$2.3 million in FY 2016. This addresses a 5 percent increase in PILOT assessments.
- ***Adjust Appropriation to Reflect Revised Debt Service Requirements.*** Increases the nongeneral fund appropriation for debt service on existing bond issues by \$11.7 million in FY 2015 and \$10.0 million in FY 2016 to reflect debt service costs.
- ***Port of Virginia Capital Projects:*** The Virginia Port Authority’s budget requests include three major capital outlay projects in Part 2 of the budget.
 - ***Craney Island Connector Capital Project.*** The first is a \$60.0 million NGF authorization in FY 2016 to fund the acquisition of initial right of way and land to develop the Craney Island Road and Rail Connector. This project would provide direct Interstate quality access to and from the proposed Craney Island Marine Terminal for truck traffic as well as a double track rail lead connecting to the 164 Median Rail line.
 - ***APM Terminal Equipment Purchases.*** A second request is included for \$37.0 million NGF in FY 2015 to purchase additional gantry cranes and translifters required to address increasing container volumes at the APM terminal. The equipment, which is required under the terms of the lease, would be purchased through the Master Lease Equipment Program and the debt service costs would be paid from the terminal revenues.

- **NIT Container Yard Improvements.** Finally, the third VPA capital request is for \$30.0 million NGF in FY 2015 to fund the removal of the former Exxon rail yard to expand NIT's container yard north by approximately 11 acres. The request reflects assumed Port container volume growth in the coming years.